GRAND CHALLENGES FOR DEVELOPMENT

A ROAD MAP

Introduction

USAID is defining Grand Challenges for Development to focus on specific development outcomes based on transformational, scalable, and sustainable change. The philosophy behind using Grand Challenges for Development is that defining the problem well and facilitating innovative approaches will encourage a wide array of solvers to focus their efforts on developing sustainable, effective solutions.

The landscape of international development has changed, creating opportunities and challenges for longstanding development actors such as USAID. The few bilateral donors which dominated in decades past have been joined by a complex network of private companies, local and international NGOs, multilateral organizations, and new bilateral donors, such as China and Brazil. Globalization, improved information technology, and global threats such as climate change have increased interdependency and human interest across borders. In this new context, USAID must act as a thought leader, facilitator, and coordinator of global efforts to address development challenges.

USAID will continue to use its budget to improve development on the ground as it has for decades. In addition however, we must become more adept at articulating the demand of the developing world. By defining problems, identifying constraints, and providing evidence based analysis of development programs, USAID will help focus the global resources targeted at development. Through open innovation, collaboration, and clear articulation of demand in the developing world, USAID will enable improved development outcomes to occur faster and on a larger scale than could be accomplished by USAID resources alone.

Grand Challenges for Development will act as a conceptual framework to focus funding and attention within the Agency, in the broader development community, and among other “nontraditional” communities of solvers. The concepts of challenges and grand challenges have been developed and used for many years across a broad swath of government, foundations, and NGOs. This USAID approach builds on these programs yet is differentiated from them by focusing specifically on development and the implementation strategy that will facilitate success. We will focus on those interventions and those partnerships that will create real self-sustainable growth, wealth generation and true development.

The private sector, with its bent toward innovation and its capacity for sustainable value creation has been the primary driver of international development. We anticipate that it will be new and existing private sector and social enterprise models that will build sustainable economic growth for generations to come.

Through Grand Challenges for Development, USAID challenges the world to find solutions to meet the needs of individuals and communities in the developing world. Successful GCDs will illustrate USAID's emerging role as an enabler of development, not just a donor.

Definition

A Grand Challenge for Development is not just a problem statement, but a definable, quantifiable goal that can be achieved. These challenges represent key obstacles to advances in health, democracy, economic growth, and/or environmental stewardship in the developing world. The goal itself defines the outcomes by which we will measure success. Solving a GCD does not necessarily require the creation of new inventions or tools, according to this working definition, rather, solutions may be developed with existing tools and processes in new configurations as well as the development of new knowledge, technology, or adoption methodology.

Addressing Grand Challenges for Development requires the creation and support of self perpetuating systems, rather than one-off inventions or interventions. Grand Challenges for Development describe multi-faceted obstacles which might require innovations and new applications in fields as diverse as immunology, urban planning, social marketing, information technology, and development economics.

Contributions to meeting the GCDs will deliver development results that:

- ***Achieve Scale*** "Moving the needle" in development requires solutions that can be scaled and the mechanisms and incentives to achieve impact at scale. Billions of people will benefit from development solutions that scale. In order to effectively meet these needs, solutions must start with the goal of reaching millions and then expand from there. Open innovation and collaboration are central to GCDs and are required to achieve scale.

- ***Are Adoptable*** The most important stakeholders of the Grand Challenges for Development are individuals, families, and organizations within developing communities. Successful contributions start with understanding the needs and desires of the end user, not those of the donor community. Adoptable products and services meet end-user needs, are locally owned, and continuously adapt to the changing needs and desires of the people they serve. In short, our approach to Grand Challenges for Development explicitly acknowledges and respects that development is about meeting demand, not just increasing supply.

- ***Are Sustainable*** Success requires that the scaled solutions be sustainable. Our vision of sustainability defines one of the primary differences between ongoing assistance and effective development. Because broad based economic growth depends on productive collaboration among the public, private, and nonprofit sectors, sustainable development must contribute to the dynamism and

accountability of local institutions in all three sectors. Sustainable solutions eventually require no outside assistance.

- ***Utilize 21st century infrastructure*** Solutions to GCDs will often not be achieved by replicating developed-country models in developing countries. That is, we expect to promote solutions that are not dependent upon 20th century energy, transportation, communications and governance infrastructures but those that are available in the 21st century.

GCDs are solvable problems. There must be constraints that we believe, with a focused effort, can be removed or largely ameliorated.

- "A solvable problem" can be an intimidating expectation. We will need to be both realistic in setting the parameters of a Grand Challenges for Development and also audacious to stretch the entire development system to achieve success in the areas of most pressing need.

- A GCD will take consistent, focused effort over many years to solve.

A Grand Challenge for Development must be parameterized. The metrics that define the GCD will also be our way of measuring success. USAID, the larger community of solvers, and the general population must be able to see that the needle is moving. Evidence through programmatic measurement and evaluation are critical.

A GCD statement must not predetermine a particular solution. A GCD statement will define the scale and scope of a required solution. It will not define acceptable solutions nor specify mechanisms or tools that must be used.

- Solutions may include a product innovation, a process innovation, or a combination.
- Solutions will likely require people to think about technology differently, and about distribution differently.
- Some solutions will be integrated in nature and will address multiple development issues in one solution. For example, a business model that enables a profitable business based on providing primary healthcare, pharmacy services and clean water distribution would be an integrated solution.
- Solutions will be built with 21st Century infrastructure. Because the challenges to development are often rooted in issues that prevent broad access to effective public services, "off-grid" solutions will often be required.

We believe there are many useful, scalable solutions to development challenges that are in existence today. The GCDs will assist the development community in finding a global approach to identifying success, providing the evidence base to prove it, and developing methods to translate and scale successful models.

Relationship between USAID's strategy/programming and Grand Challenges for Development

The collection of Grand Challenges for Development is a significant element of our USAID Strategy. By mid 2012, we will have 5 – 10 challenges defined and underway, consistent with and supported by the USAID Strategy.

Grand Challenges for Development are focus areas and will likely cover less than 20% of our Agencies overall work. We anticipate that each Mission will be able to identify elements of their programming budget that are supportive of the GCDs, with increasing Mission level focus in these areas through future budget cycles.

Grand Challenges for Development are meant to provide leadership to the development community as a whole. Success will likely be born from a concerted effort from an integrated community of development experts, academics, engineers, entrepreneurs and other nontraditional solvers from developed and developing countries alike. USAID will be one of the members of this larger community working to solve the Grand Challenges for Development.

GCD Implementation Planning

Grand Challenges for Development are likely to have cross sector implications. Some will be designed within sectors, others may be regionally focused. Presidential Initiatives, Agency priorities, and opportunity for impact will all influence how the GCDs are selected. We have already identified GCDs in **Maternal and Child Health** and **Education**.

We are working to define GCDs in:

- Energy
- Water
- Agriculture

Cross sector focus will be required to define GCDs in:

- Climate change adaptation and/or mitigation
- Bio-Diversity
- Regions or countries

The pillar bureaus, Missions, and the S&T office will work together to come up with appropriate GCD statements. The working groups focused on the definition process will be expanded beyond USAID to other USG Agencies, public institutions, and the private sector.

Through the definition process we will mine the current work focused on the problem/constraint both within and outside USAID. We will carefully examine the

existing evidence base around a particular problem and possible solutions. For each GCD, USAID will develop an implementation plan focusing on reaching new solvers and finding new solutions. Standard USAID activities around Grand Challenges for Development will include research, traditional programming, and fostering open communities of interest (on-line or otherwise).

We will foster an open innovation approach to engaging the development community, the public at large and beneficiaries in an on-going dialogue on the problem, the constraints, and the solution space. It is our goal to have an answer to any individual who asks, "How can I support the GCDs?" Whether they are the CEO of a company, a student volunteer, or an engineer in Kampala, USAID will facilitate global participation in these crucial challenges. Broad based participation will encourage innovative thinking, spark unexpected collaboration, and will support sustainability by increasing public buy-in.

Just a few examples of the type of activities within USAID that will be needed to support the effort to find solutions to GCDs are:

- fund applied research in academic communities in the US and in developing countries to explore various options to deal with the specific GCD
- fund social entrepreneur support systems so there are more, and more capable, entrepreneurs addressing the implementation and scaling of solutions for the GCDs
- offer prizes and run challenges to incent progress
- build and bolster open, on-line communities of potential solvers
- focus traditional programming and leveraging existing partners. This is equally if not more important than any new mechanisms.